



IT Procurement Policy for Enhancing Opportunities for Small, Women-and Minority-Owned Businesses

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Revision 1

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Please Note:

The publication of this policy has been expedited in order to comply with the Governor's Executive Order 33. This policy is currently posted for comment by the established peer review committee for IT procurement policies and is available on the VITA *Online Review and Comment Application* (ORCA). Further revisions are contingent upon input received from the peer review committee.

- I. **Purpose.** This document provides procurement guidelines designed to enhance opportunities for small, women-and minority-owned IT and telecommunications businesses to participate in the Commonwealth's procurement process. All executive branch agencies and non-exempt institutions of higher education are subject to this policy for the procurement of information technology and telecommunications goods and services except those agencies and institutions explicitly exempted by the *Code of Virginia*.
- II. **Definition.** For the purposes of this policy, a *small business* is defined as a DMBE-certified business with 250 or fewer employees, or gross receipts of \$10 million or less averaged over the previous three years. This shall include, but not be limited to, certified minority-owned and women-owned businesses that meet the small business definition.
- III. **Enhancing Opportunities for Small, Women-and Minority-owned Businesses**
VITA is committed to increasing procurement opportunities for small, women-owned, and minority-owned (SWaM) businesses. Additionally, VITA is committed to strengthening the Commonwealth's overall economic growth through the development of its IT suppliers. SWaM businesses can often provide value-added IT goods and services not readily available through large corporations. Simultaneously, VITA is committed to dramatically increasing the value of IT to the Commonwealth by providing world class IT goods and services at competitive prices and rates. These objectives are not mutually exclusive, but

require strong leadership and focus to build and execute the program foundation, communication, processes to achieve goals.

VITA will work with the Commonwealth's small IT and telecommunications businesses to increase participation in solicitations and to increase the number of contracts awarded. VITA's procurement guidelines will provide for increasing SWaM participation on VITA's small procurements (under \$5,000), a set aside program for small businesses and for the implementation of other small business enhancement tools. VITA will promote greater representation of small businesses on all IT contracts through actively recruiting SWaM businesses to bid on statewide cooperative procurement agreements and/or contracts that are open for competition. Whenever practical, VITA will post upcoming solicitations on the eVA Future Solicitations page to enable small businesses to prepare potential bids or proposals.

IV. Initiatives. VITA will support and encourage the participation of SWaM businesses through utilization of the following initiatives:

- A.** Identification and Outreach to Potential SWaM IT businesses. VITA will assist these businesses with DMBE-certification, eVA registration and provide education on VITA's procurement procedures.
- B.** VITA's SWaM Outreach Specialist will provide assistance to SWaM IT businesses in preparing eVA catalogs to enable state agencies and other public bodies to purchase from these suppliers.
- C.** All VITA solicitation will promote the use of partnerships with SWaM businesses and the use of SWaM subcontractors in providing IT goods and services to the Commonwealth.
- D.** VITA will provide procurement outreach and educational opportunities for SWaM businesses. Such opportunities will include, but not be limited to the following:
 - 1. Coordinate with DMBE, DGS and DBA for SWaM related seminars and/or fairs for consistent, statewide communications;
 - 2. Hosting one and participating in other IT-related procurement fairs;
 - 3. Meet with SWaM-supplier organizations for input and perspective;
 - 4. Develop and facilitate a SWaM procurement advisory committee comprised of IT SWaM businesses to assist VITA in enhancing opportunities for IT SWaM businesses;
 - 5. Engage and educate internal sourcing consultants and purchasing specialists regarding SWaM policies and practices;
 - 6. Update and maintain an internal and external accessible web site for SWaM;
 - 7. Maintain a SWaM e-mail address and other communications channels (i.e. mail and phone) for direct, SWaM-related inquiries to VITA;
 - 8. Access and interface with mid- to long-term needs and procurement planning to determine where SWaM may be appropriate;
 - 9. Develop and work with contract development to include appropriate terms related to use of SWaM and SWaM subcontract spend reporting;

- V. **Competitive Requirements.** Solicitations of IT goods and services up to \$50,000 shall be set aside for qualified DMBE-certified IT small business participation to achieve the Commonwealth's goal that 40 percent of its purchases be made from small businesses. If two or more DMBE-certified small businesses cannot be identified as qualified to set aside the procurement under \$50,000, the procurement file shall be documented with VITA's efforts through eVA to obtain the number of required sources.

Purchases of IT goods and services up to \$5,000 require soliciting a minimum of one (1) DMBE-certified small business, if available. Purchases over \$5,000 and up to \$50,000 require soliciting at least four (4) DMBE-certified small business sources, if available, in writing. In estimating the total cost of the procurement, all possible renewal periods on a term contract should be considered to determine if the procurement will not exceed \$50,000.

- VI. **Award to Other than the Lowest Price Bidder or Highest Ranking Offeror over \$50,000.** Some solicitations for contracts over \$50,000 may be awarded to a reasonably priced or reasonably ranked DMBE-certified and qualified small business bidder or offeror that is other than the lowest price bidder or highest ranking offeror. All potential awards to other than the lowest price bidder or highest ranking offeror must be approved in writing by VITA's Director of Finance and Administration or his designee before issuance of such award. In those instances where an award is made to other than the lowest price bidder or highest ranked offeror, the award shall be made to the lowest responsive and responsible bidder or highest ranking, qualified DMBE-certified small business offeror.

- VII. **Set Asides** Solicitations up to \$50,000 shall be set aside for qualified DMBE-certified IT small business participation. Set asides, regardless of the amount of the solicitation or resulting contract, will not apply when the IT product or service has been competitively procured and orders are placed against statewide mandatory or optional use contracts. Set asides also do not apply to mandatory services or telecommunications goods and services.

- VIII. **Prime Contractor Small Business Subcontracting Plans.** All VITA Solicitations for contracts over \$100,000 shall contain a Small Business Contracting Plan to be completed by all prime contractors. For RFPs, the Small Business Subcontracting Plan may be one of the evaluation criteria. If a bidder or offeror will not be utilizing small businesses in its bid or proposal, the bidder or offeror shall submit a Small Business Contracting Plan but indicate that no small businesses will be utilized in its provision of IT goods and services to the Commonwealth.

IX. **VITA's Small Purchase Procedures – up to \$50,000**

- A. **IT Solicitations up to \$5,000** - A minimum of one quotation from a qualified DMBE-certified small business, if available, is required and the award shall be made to that DMBE-certified small business. If more than one quote is solicited, the award will be made to the lowest responsive and responsible qualified DMBE-certified small business bidder.
- B. **IT Solicitations from \$5,000 to \$50,000** – Quick Quote shall be used to solicit bids for IT goods and services (with the exception of telecommunications). If available, four (4) qualified DMBE-certified small business sources should be

solicited. An award may be made to a qualified, reasonably ranked small, minority- or women-owned offeror that is other than the highest ranking offeror.

- X. **Solicitations over \$50,000** – Unless delegated, these solicitations shall be conducted by VITA. These procurements may be set aside, in whole or in part, for qualified DMBE- certified small businesses. If these procurements are set aside, a minimum of six (6) qualified DMBE-certified small businesses, if available, shall be solicited. If the procurement is set aside and the agency or institution receives no acceptable bids or offers, the set aside may be withdrawn and the procurement resolicited utilizing non-set aside procedures.
- XI. **Commitment to Removing Barriers.** VITA will review all solicitations prior to issuance in order to identify and remove, whenever possible, any potential barriers to small business participation. In addition, VITA's annual SWaM plan shall outline ways in which VITA's SWaM champion will work with VITA's procurement personnel to ensure nondiscrimination in the solicitation and awarding of contracts.
- XII. **Optional Use and Mandatory Statewide Contracts.** Set asides do not apply to orders placed against an optional use or mandatory use statewide contract.
- XIII. **Mandatory Statewide Contracts.** In the event VITA awards a statewide contract for IT goods and/or services to a qualified DMBE-certified small business, VITA may, at its discretion, make the use of such contract mandatory for state agencies and institutions of higher education except those explicitly exempted by the *Code of Virginia*. Mandatory Contracts are designated as such on VITA's Web site and in eVA.
- XIV. **Cooperative Procurements.** Purchases from cooperatively procured contracts may be approved by the Chief Information Officer only if the purchase request satisfies the following criteria:
 - A. there is no statewide contract available or
 - B. there is no qualified DMBE-certified small business available that can provide the requested goods and services at a fair and reasonable price or
 - C. a VPPA-compliant cooperatively procured contract is available for use.
- XV. **Prime Contractor Requirements.** All VITA solicitations for contracts anticipated to exceed \$100,000 in value will require that the following be included as a contractual requirement of the prime contractor who receives the contract award:
 - A. **Monthly Report of Sales-** Prime contractors shall submit to the Commonwealth a monthly Sub-contractor Report of Sales for each contract. The prime contractor should list the contract number, identify which sub-contractors are DMBE-certified and certify that any payments due to sub-contractors pursuant to the contract shall be made in full.
 - B. **Small Business Sub-Contracting Plan and Monthly Report** - Prime contractors shall include a Small Business Sub-Contracting Plan in all proposals. The inclusion of the Small Business Sub-Contracting Plan may be considered when evaluating each bid or offer. Each prime contractor who wins an award in which a small business subcontracting plan is a condition of the award shall submit monthly reports reflecting compliance with the small business subcontracting plan.

XVI.

Authority References

Executive Order 33 (2006)

§2.2-2012 of the *Code of Virginia*. Procurement of information technology and telecommunications goods and services.